

OFFICIAL TERMS AND CONDITIONS OF THE SALE OF TAX DEFAULTED PROPERTY

2007A TAX SALE February 26 and 27, 2007

A. REGISTRATION

Anyone who wishes to bid on property offered for sale **MUST BE PRE-REGISTERED AND ASSIGNED A BIDDER CARD**. A registration deposit of \$5,000 is required for each bidder card issued. The registration deposit must be paid at the time of registration by cash, cashier's check, or bank-issued money order. Other money orders and personal or business checks will not be accepted. Your deposit will be applied to your first purchase at the tax sale. If no purchases are made or if there is a balance remaining after the auction, the unused deposit amount will be refunded by County Warrant issued in the name of the vesting party (ies) and mailed to the address indicated on the Bidder Registration Form within **30 days** from the date of the auction. Deposits will **NOT** be refunded at the auction site.

You must register in person and receive your bidder card at the office of the Treasurer and Tax Collector, 225 North Hill Street, Room 130, Los Angeles, California 90012. We will register bidders in our office from 8:00 a.m. until 5:00 p.m., **beginning Tuesday, January 30, 2007 through Thursday, February 15, 2007. NO REGISTRATION WILL BE ACCEPTED AFTER 5:00 p.m. on February 15, 2007 OR AT THE AUCTION SITE. NO REGISTRATION WILL BE ACCEPTED THROUGH THE MAIL.** We will require **valid photo identification** at the time of registration (i.e., driver's license, military ID card, Mexican Matricula Consular, passport, California ID card). Expired identification cards/documents will **NOT** be accepted.

YOU MUST VEST THE WAY YOU REGISTER. If you wish to register/vest for someone not present at the tax sale, you must show notarized power of attorney for each person you are representing. If you wish to register/vest as a public agency, a company, a corporation or a partnership, you will need to provide the **NOTARIZED COPIES** of the document that gives you the authority to register/vest and purchase on their behalf. This documentation might be in the form of a minute order from the governing board, a Board Resolution, registration of a partnership or Articles of Incorporation as well as notarized order by authorized members of the Board of Directors. If you register in the name of a TRUST, documentation from the Trust giving you the authority to register, bid and purchase property at tax sale will be required. **CHANGES IN VESTING WILL NOT BE ACCEPTED AFTER THE REGISTRATION PROCESS HAS BEEN COMPLETED.**

Example of vesting on registration card:

- | | |
|---|---|
| • A SINGLE MAN | • A SINGLE WOMAN |
| • A MARRIED MAN | • A MARRIED WOMAN |
| • AN UNMARRIED MAN | • AN UNMARRIED WOMAN |
| • A WIDOWER (MAN) | • A WIDOW (WOMAN) |
| • A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY | • A MARRIED WOMAN AS HER SOLE AND SEPARATE PROPERTY |
| • TENANTS IN COMMON | • HUSBAND AND WIFE AS JOINT TENANTS |
| • A CORPORATION (See below) | • A PUBLIC AGENCY (See Below) |
| • OTHER | • LIMITED LIABILITY CO. (LLC) (See Below) |

A public agency requires a **certified** order from the governing Board giving the person registering on their behalf the authority to register and purchase property at this tax sale. Corporations and LLCs require Articles of Incorporation and a **notarized** order by authorized members of the Board of Directors giving the person registering on their behalf the authority to register and purchase property at this tax sale.

For the registration application see Page 2, and for additional information regarding registration requirements, visit our office at 225 North Hill Street, Room 130, Los Angeles, California 90012, or call us at (213) 974-2040, or visit our website at <http://ttc.lacounty.gov>.

Replacement bidder cards will cost \$10.00 each, and proper and valid identification will be required.

Disclosures:

All registered bidders must disclose if they own any parcels in the auction that are in bankruptcy and/or any other tax defaulted properties in Los Angeles County. A listing of such properties is required.

B. TIME AND PLACE OF SALE

The public auction of tax defaulted real property will be conducted at the FAIRPLEX Los Angeles County Fairgrounds, 1101 West McKinley Avenue, Building 8, Pomona, California 91768, and will commence on Monday, February 26, 2007 at 9:00 a.m. and may continue through Tuesday, February 27, 2007, until all parcels have been offered. If you want to bid on a particular parcel, we suggest you attend the tax sale from the start.

Please do not contact the Los Angeles County Fairgrounds for information regarding the tax sale, as they have no information regarding this sale.

C. CAUTION-INVESTIGATE BEFORE YOU BID

The purpose of the tax sale is to collect the unpaid taxes and to convey the tax defaulted property to a responsible owner. These properties are subject to the Tax Collector's power to sell because the property taxes have not been paid for three years or more (five years in the case of residential property). Parties interested in bidding on property are strongly encouraged to investigate the subject property to assure themselves the property meets their needs. The information provided in our listing is merely intended to identify the parcels for sale. We make no warranties or representations about other matters beyond our ability to provide the basic tax information as it appears in the County's official property tax records, and to convey title as described on Page 9, Section I (Liens That Are Not Removed by Tax Sale).

The Tax Collector cannot guarantee the condition of any property nor assume any responsibility for conformance to codes, permits or zoning ordinances. An investigation may reveal that the property is part of a street or alley, in a flood control channel or landlocked (having no means of ingress and egress). Improvements that are shown on the tax sale list may no longer exist at the time of the auction, and a lien may have been or may in the future be placed on the property. Streets shown as such on the maps offered by the Los Angeles County Assessor's Office may or may not exist, but in some cases may be future streets. **The burden is on the purchaser to thoroughly research, before the tax sale, any matters relevant to his or her decision to purchase. You should inspect the property before bidding or purchasing. Tax defaulted property is sold on an "as is" basis.**

The County makes no warranty, either expressed or implied, relative to usability, ground location, or property lines of the properties. The prospective purchaser must determine the exact location, desirability, and usefulness of the properties. **Refund of any purchase or any payment on a purchase agreement will NOT be made based upon a bidder's error or failure to investigate.**

The County assumes no liability for any other possible liens, encumbrances or easements, recorded or not recorded.

ALL PROPERTIES SHOULD BE INVESTIGATED THOROUGHLY PRIOR TO PURCHASE.

D. MINIMUM BID

The minimum price at which property may be offered for sale shall be an amount not less than the total amount necessary to redeem plus the costs of the sale. The minimum bid is indicated on the auction list next to the property description.

The properties in this sale are in item number order. They will be auctioned in that order. If there is an item number not offered from the tax sale list, it means that the item has been redeemed or withdrawn prior to the sale. Updated lists of items remaining in the sale will be available periodically at the Treasurer and Tax Collector's Office and on our website <http://ttc.lacounty.gov>. Weekly updates will start January 6, 2007, and daily updates will start February 12, 2007.

Where a property has been offered for sale at least once and no acceptable bids have been received, the Tax Collector **may** re-offer that property at a **reduced minimum price**. The successful bidder will be responsible for **any and all unpaid current year taxes** for any property that is sold below the **original minimum bid indicated in the auction book**.

E. BIDDING INFORMATION

YOU MUST PAY FOR YOUR PURCHASE IMMEDIATELY UPON BEING AWARDED THE SUCCESSFUL BID. AS SOON AS THE AUCTIONEER DECLARES A SUCCESSFUL BIDDER, THE BIDDER MUST IMMEDIATELY PAY FOR THE PURCHASE. IF THERE IS A DELAY, THE BIDDER MAY BE ESCORTED BY STAFF TO OUR OPERATORS. THE TREASURER AND TAX COLLECTOR RESERVES THE RIGHT TO CONFISCATE ALL NUMBERED BIDDER CARDS REGISTERED TO ANY SUCCESSFUL BIDDER WHO FAILS TO TIMELY REMIT THE NECESSARY DEPOSIT OR PURCHASE PRICE, AS APPLICABLE, AT THE COMPLETION OF THE BIDDING ON EACH PARCEL.

UPON CONFISCATION OF BIDDER CARDS, NO SUBSEQUENT BIDS ON ANY REMAINING PARCELS MADE BY THAT BIDDER OR ANY CO-REGISTERED BIDDER WILL BE ACCEPTED OR RECOGNIZED BY THE AUCTIONEER.

Payment in full of the required amount, plus any applicable tax is required to be paid at the time of the sale (except for sales in excess of \$5,000 as described in Section F). All payments must be made in cash, cashier's checks or bank-issued money orders made payable to the Los Angeles County Tax Collector. **No traveler's checks, personal checks, checks payable to another party (including the bidder), two party checks or other forms of payment will be accepted.**

BIDDING WILL BE IN THE FOLLOWING INCREMENTS:

<u>Bid Amount</u>	<u>Increments</u>
\$100 to \$2,000	\$100
\$2,001 to \$5,000	\$500
\$5,001 to \$25,000	\$1,000
\$25,001 to \$50,000	\$5,000
\$50,001 to \$250,000	\$10,000
Over \$250,000	\$25,000

We reserve the right to adjust the bidding increments as needed, and the Auctioneer will announce when the increments will change.

ALL SALES ARE FINAL. Even if the successful bidder makes a mistake and bids on the wrong property, the sale will remain final. All sales of property must be paid for immediately. If the property is not paid for immediately, the sale of that parcel will be declared null and void, and the property will

be re-offered. No opportunity will be given for any successful bidder to go to the bank to complete payment on their purchase. All bidders interested in a particular parcel or parcels are encouraged to stay until they are certain that the property has been paid for and will not be re-offered. Successful bidders who refuse to pay for the property they have bid on will have their bidder cards voided, and they will forfeit their right to further participate in the auction and may be excluded for up to 5 years from future tax sales.

Prospective bidders or their representatives must personally attend the auction and bid on property when it is offered for sale. The Treasurer and Tax Collector cannot give preference to anyone. The Auctioneer will only recognize each bidder by the assigned bidder number. The Auctioneer will determine and announce the winning bidder for each parcel and failure by the Auctioneer to recognize a bid, for any reason, will not invalidate the sale or cause bidding to be re-opened. All such determinations made by the Auctioneer are final.

F. PAYMENT FOR PROPERTY PURCHASED AT TAX SALE

Each parcel offered at this sale will be sold to the highest bidder. Bid amounts shall be tendered at the time of sale in cash, cashier's checks or bank-issued money orders payable to the Los Angeles County Tax Collector. **Personal checks, traveler's checks, checks payable to a party other than the Los Angeles County Tax Collector or two-party checks (including the bidder) will not be accepted.**

Bids of \$5,000 or less must be paid in full at the time of purchase. If the bid on any one item is more than \$5,000, the successful bidder can pay for the property by depositing \$5,000 or 10% of the purchase price, whichever is the GREATER, and the balance to be paid within 30 calendar days from the date of the auction.

HOW TO CALCULATE THE MINIMUM DEPOSIT THAT IS REQUIRED		
Purchase Price		Minimum Deposit Required (Per Property)
From	To	
\$1	\$5,000	Full purchase price is required.
\$5,001	\$50,000	\$5,000 deposit is required (see sample below)
\$50,001	Over	10% of purchase price (see sample below)

Note: Amounts indicated above do not reflect the additional taxes that are assessed based on the purchase price (Page 9, Section H). The successful bidder will be escorted to the front counter to sign the agreement and pay the cashier.

**EXAMPLE 1: Purchase price is \$55,000 (\$55,000 x 10% = \$5,500)
Required deposit \$5,500 (which is 10% of the purchase price and GREATER than \$5,000)**

**EXAMPLE 2: Purchase price is \$40,000 (\$40,000 x 10% = \$4,000)
Required deposit \$5,000 (\$5,000 is GREATER than the \$4,000, which is 10% of the \$40,000)**

The balance must be received in the Treasurer and Tax Collector's Office, 225 North Hill Street, Room 130, Los Angeles, California 90012, **no later than 5:00 p.m., on Thursday, March 29, 2007, in the form of cash, cashier's check or bank-issued money order.** Title will not be transferred unless the total purchase price is received by the due date. **If the buyer fails to pay the balance on or before 5:00 p.m. on March 29, 2007, the deposit is forfeited, and the buyer obtains no rights to the property.** All parties who will have title to the property must sign the Purchase Agreement.

For security reasons and to avoid delays at the cashier lines, bidders are encouraged to bring to the sale payment instruments in denominations of \$5,000 or less. Bidders requiring more than \$5,000 in

change back from their purchase will be directed to a special line that may delay further participation in the auction.

G. AUCTION TRUST ACCOUNT

At the time you initially register or up to 5:00 p.m. on February 23, 2007, you can increase your initial registration deposit by opening an Auction Trust Account. This will eliminate the need to stand in the cashier's line for the purpose of paying the deposit on property purchased. To open an Auction Trust Account you must deposit a **minimum of \$5,000, in addition to the \$5,000 registration deposit.** During the auction, if you are the successful bidder, proceed to the Auction Desk and indicate whether or not you want to pay the minimum amount due or pay the full purchase price of the property. The Auction Operators will give you a Purchase Agreement indicating the amount that will be automatically deducted from your Auction Trust Account. Please note that we cannot apply any funds to your purchase until the Purchase Agreement is signed.

As long as there are sufficient funds in your Auction Trust Account, there will be NO need to see the cashier to complete your purchase. To setup the Auction Trust Account, contact the Bidder Registration Unit at (213) 974-2040. Only cash, cashier's checks or bank-issued money orders payable to the **Los Angeles County Tax Collector** will be accepted for the Auction Trust Accounts. Act promptly, as the last date to setup the Auction Trust Account is **February 23, 2007** by 5:00 p.m.

Please be advised that unused monies in the Auction Trust Account will be refunded by mail within 30 days from the date of the sale. NO REFUNDS WILL BE ISSUED AT THE AUCTION.

H. ADDITIONAL TAXES/CHARGES

When applicable, Survey Monument fees, Documentary Transfer Tax, and City Transfer Tax will be collected in addition to the purchase price. City Transfer Tax will apply to those properties located in the following cities:

Culver City	\$4.50 per	\$1,000
Los Angeles	\$4.50 per	\$1,000
Pomona	\$2.20 per	\$1,000
Redondo Beach	\$2.20 per	\$1,000
Santa Monica	\$3.00 per	\$1,000

I. LIENS THAT ARE NOT REMOVED BY TAX SALE

A tax deed will cancel all private liens (such as Deeds of Trust, Mechanic's Liens, Judgments, etc.), as well as all prior delinquent taxes. ***Public liens such as Improvement Bonds, Mello-Roos Special Tax liens, Demolition liens, Weed Abatement liens, etc., or foreclosure judgments of those public liens, WILL NOT be discharged with a tax deed.***

Pursuant to Section 3712 of the Revenue and Taxation Code, the deed conveys title to the purchaser free of all encumbrances of any kind existing before the sale, **EXCEPT** for:

- (a) Any lien for installments of taxes and special assessments, which installments will become payable upon the secured roll after the time of sale.
- (b) The lien for taxes or assessments or other rights of any taxing agency, which does not consent, to the sale of the parcel at auction.
- (c) Liens for special assessments levied upon the property conveyed which were, at the time of the sale, not included in the amount necessary to redeem the tax defaulted property and, where a taxing agency which collects its own taxes has consented to the sale, not included in the amount required to redeem from sale to the taxing agency.

- (d) Easements constituting servitudes upon or burdens to the property; water rights, the record title to which is held separately from the title to the property; and restrictions of records.
- (e) Unaccepted, recorded, irrevocable offers of dedication of the property to the public or a public entity for a public purpose, and recorded options of any taxing agency to purchase the property or any interest therein for a public purpose.
- (f) Unpaid assessments under the Improvement Bond Act of 1915 (Division 10 [commencing with Section 8500] of the Streets and Highways Code) which are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8.
- (g) Any federal Internal Revenue Service (IRS) liens which, pursuant to provisions of federal law, are **not** discharged by the sale, even though the Tax Collector has provided proper notice to the IRS before the sale. Before contacting the IRS on properties with IRS liens, you must obtain the following information/documentation:
 1. IRS Code 7425C for information on IRS's Redemption Rights and Release of Right of Redemption.
 2. Copy of the Federal Tax Lien filed against the parcel you are interesting in purchasing that has been recorded with the Los Angeles Registrar-Recorder/County Clerk's Office located at 12400 Imperial Highway, Norwalk, California 90650.
 3. The IRS Foreclosure Redemption Section can be reached at (213) 576-4456. The IRS will not be able to assist you without the above information.
- (h) Unpaid special taxes under the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 [commencing with Section 53311] of Part 1 of Division 2 of Title 5 of the Government Code) that are not satisfied as a result of the sale proceeds being applied pursuant to Chapter 1.3 (commencing with Section 4671) of Part 8.
- (i) Weed Abatement charges resulting in liens are not cancelled by tax sale. Review the list of parcels subject to weed and brush clearance abatement provided by Los Angeles County Agricultural Commissioner/Weights and Measures and the Los Angeles City Fire Department. For information from the Agricultural Commissioner, call (626) 575-5487 or visit its website at <http://acwm.co.la.ca.us>, and click onto the "Weed Abatement Program". Also, the Los Angeles City Fire Department maintains a list of properties that have been assessed Brush Clearance Charges. You can contact the Los Angeles City Fire Department Brush Clearance Unit at (213) 978-3470 or (213) 978-3472. **Caution, all properties may not be identified. Investigate before you purchase.**

J. TITLE

Title to "Tax Defaulted Property Subject to Power to Sell" does not pass to the purchaser until a tax deed is issued and recorded. DO NOT trespass on the property, engage in any activity or make any construction expenditure on any property you purchase until you have received your tax deed from the Los Angeles Registrar-Recorder/County Clerk's Office. This includes any attempt to collect rents on improved property and/or dispossess or in any way contact tenants. Tax deeds will be recorded approximately 60 days after the sale. After the tax deeds are recorded, the tax deed(s) will be mailed directly to the respective purchaser(s) by the Registrar-Recorder/County Clerk's Office. The Treasurer and Tax Collector does not provide the purchaser with a title insurance policy and makes no representations or warranties with respect to the condition of the title. Prospective purchasers are advised to contact title insurance companies prior to the auction and obtain information regarding the availability of title insurance for properties that have been purchased at the Los Angeles County Treasurer and Tax Collector's Tax Sale.

THE REDEMPTION OF A PARCEL WILL PRECLUDE ANY TRANSFER OF OWNERSHIP. THE ASSESSEE OF RECORD WILL RETAIN TITLE TO ANY PARCEL REDEEMED PRIOR TO THE TAX SALE.

Tax defaulted parcels subject to the Tax Collector's Power to Sell can only be redeemed on or before the close of business on the last business day prior to the date of the sale, no later than **5:00 p.m. February 23, 2007**, to prevent the sale of the property. There is no extended right of redemption in the State of California.

NOTE: Neither the State of California, nor the County of Los Angeles, nor any person designated by these agencies are liable for damages sustained to the property purchased at auction from the time of the sale until the recordation of the tax deed transferring the property.

K. SALE AFTER REDEMPTION (ERRONEOUS SALES)

Occasionally, a piece of property is sold at auction after the property has been redeemed or is otherwise sold in error. In this case, a refund of the purchase price or deposit will be made with full understanding and agreement of the purchaser that the Treasurer and Tax Collector and the County of Los Angeles have no further liability in the matter. Only the amount tendered will be refunded, as no interest is applicable for these types of refunds. At the time of registration, each bidder will be required to consent to the rescission of any erroneous sale and sign a rescission of tax deed if necessary. If the tax deed has not been recorded, the Tax Collector has the right to cancel an erroneous tax sale without the Bidder's prior consent or signature. Bidders will be informed of any cancelled sales.

The right to redeem "Tax Defaulted Property Subject to Sale" in this auction terminates at **5:00 p.m. on February 23, 2007**, which is the last business day prior to the first day of the auction.

L. WITHDRAWAL OF A PORTION OF A PARCEL THAT IS FOR SALE

If a portion of a parcel is being sold to a taxing agency or a partial redemption is instituted, the Treasurer and Tax Collector may withdraw that portion from the whole and sell the remaining part only. The Auctioneer will announce items of this nature and anyone purchasing the same will do so with the full knowledge and acceptance that the parcel being sold is exclusive of a portion and not as advertised or set forth in the initial auction list.

M. CONTAMINATED PROPERTIES

You can obtain information regarding contaminated properties from the following agencies: (1) Los Angeles County Department of Public Works, Environmental Program Division located at 900 S. Fremont Ave., Third Floor Annex, Alhambra, CA 91803, (626) 458-3517, and the City of Los Angeles Environmental Affairs Department located at 200 N. Spring St., Room 1905, Los Angeles, CA 90012, (213) 978-0871; (2) the California Department of Toxic Substances Control maintains the Superfund cleanup list of sites contaminated with hazardous substances referred to as "CalSites." The Superfund list of sites can be obtained from the California Environmental Protection Agency, Department of Toxic Substances Control at the CalSites Help Desk (916) 323-3400 and at <http://www.dtsc.ca.gov/database/calsites>; (3) also, the Water Quality Control Board maintains a list of properties that may be contaminated. The website for most properties in Los Angeles County is <http://www.waterboards.ca.gov/losangeles> and for properties in the Antelope Valley <http://www.waterboards.ca.gov/lahontan/>.

Please be aware that not all contaminated property sites are on the Superfund list or identified by the Department of Public Works, the City of Los Angeles, or listed on any of the sites listed above. If the Tax Collector has knowledge of contaminated property, that information **may** be provided at the tax sale and on our website at <http://ttc.lacounty.gov>.

However, the Tax Collector is NOT always aware of the condition of the properties in the sale and does not conduct any investigation as to contamination. Therefore, it is ultimately the purchaser's responsibility to investigate the condition and desirability of the property before purchasing at the tax sale. Again, we urge you to conduct your own investigation and contact the above agencies if you suspect contamination.

N. DISASTER RELIEF

If it is discovered that a property was damaged, and not substantially repaired within the last five years, due to a local, state or federally declared disaster, it cannot be offered for sale until it has been tax defaulted for five years from the date of the disaster. However, if property has been tax defaulted for five years or more prior to the date of the disaster, and if the power to sell has been recorded prior to the disaster, such property shall be subject to sale without regard to the date of the disaster.

O. BANKRUPTCY

Bidders must disclose on the Bidder Registration Form if they are currently in bankruptcy. Eligibility to participate as a bidder will be evaluated on a case-by-case basis by the Los Angeles County Counsel for persons with active bankruptcies.

P. TAX SALE CANCELLATION RIGHTS OF THE LOS ANGELES COUNTY TAX COLLECTOR

As a condition of participating in the County of Los Angeles Treasurer and Tax Collector's public auction, the successful bidder consents to the rescission of the sale as provided in Revenue and Taxation Code Section 3731, if the County subsequently determines that a property sold by the Tax Collector should not have been sold because it was publicly owned property, not in tax-default, or for any other legal reason. To rescind the sale, if a tax deed has been recorded, the registered bidder agrees to sign all required forms to cancel and rescind the erroneous sale, and understands that the County will refund only the purchase amount paid, and that the Tax Collector and the County of Los Angeles have no further liability in the matter. If the tax deed has not been recorded, the County of Los Angeles has the right to cancel the sale and refund the deposit and purchase price without further action by the purchaser.

Q. ACKNOWLEDGEMENT OF TERMS AND CONDITIONS

ANY BID AT THE AUCTION IS MADE SUBJECT TO ALL OF THE FOREGOING TERMS AND CONDITIONS, AND BY BIDDING, THE BIDDER ACKNOWLEDGES AND AGREES TO SUCH TERMS AND CONDITIONS AND EXPRESSLY WAIVES ANY OBJECTION, CLAIM OR RIGHT TO RESCIND A BID OR ANY PURCHASE ARISING THEREFROM.

CAUTION - INVESTIGATE BEFORE YOU BID

ALL SALES ARE FINAL - INVESTIGATE BEFORE YOU PURCHASE

**MARK J. SALADINO
TREASURER AND TAX COLLECTOR**

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